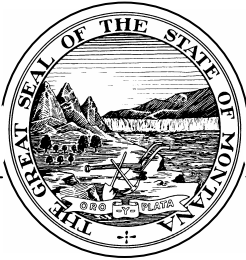


DEPARTMENT OF ADMINISTRATION  
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



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**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

**February 27, 2007**

**Division of Banking and Financial Institutions Announces Commitment  
To Participate In CSBS/AARMR Mortgage Licensing System**

HELENA, MONTANA - The Division of Banking and Financial Institutions today announced plans to participate in the Residential Mortgage Licensing System now under development by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR).

To date, 28 states have indicated their intent to participate in the nationwide Residential Mortgage Licensing System by the end of 2009.

Banking Commissioner Annie Goodwin said, "This system, when up and running, will accomplish something that is unprecedented in the mortgage industry. Montana plays a critical role in regulating a significant segment of the lending industry, and our participation in the system will accrue significant benefits to mortgage practitioners and the consumers of our state."

Commissioner Goodwin commented further on the reasons for participation in the system:

- To improve the efficiency and effectiveness of state supervision of the U.S. mortgage market;
- To fight mortgage fraud and predatory lending that costs consumers and the mortgage industry hundreds of millions of dollars in losses each year;
- To increase accountability among mortgage industry professionals;
- To unify and streamline state license processes for mortgage lenders and mortgage brokers.

"We are proud to announce this initial phase of participating states who are taking a leadership role in creating a unified and modern system of state mortgage supervision," stated Neil Milner, CSBS president and CEO. "By announcing their intent to participate, these state agencies are taking a leadership role in this initiative."

"The importance of this initiative is underscored by the number of state agencies indicating their intent to come on the System during the initial development phase," commented George Kinsel, President, AARMR. "These states are creating the critical mass necessary for state supervision of the mortgage industry to become more uniform, more efficient, and more effective."

The System will be used by state residential mortgage regulators to accept and process national, uniform license applications and renewal forms that have been created by state regulators over the past two years. Licensees will be able to electronically manage a single record in the System to apply for, amend, renew, and surrender licenses in one or more regulators. The System will manage state licenses for mortgage companies, branches, and individuals. The System is scheduled to go operational in January 2008.

The Montana Division of Banking and Financial Institutions (Division) licenses and regulates residential mortgage brokers and loan originators. There are currently 318 mortgage broker and 305 loan originator licensees. Residential mortgage loans, with the exception of second lien mortgage loans that exceed 15% interest, are not regulated in Montana. The Division has proposed House Bill 69, in the 2007 Legislative Session, which would require licensing and regulation of lenders making residential mortgage loans to Montana consumers.

State agencies announcing their commitment to the System include Alabama, Arizona, Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Indiana Department of Financial Institutions, Indiana Secretary of State, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, and Wyoming.

Commissioner Goodwin expects state agencies to transition onto the System over the 2008 and 2009 time period as full functionality for the System's initial release is completed. Additional states have expressed interest in participating in the System, but are still determining the timeframe of their participation.

More information about the CSBS/AARMR Residential Mortgage Licensing System may be found on the web at [www.csbs.org](http://www.csbs.org).

*The Division of Banking and Financial Institutions is the regulator for all Montana state-chartered banks, credit unions and non-depository financial institutions, which include consumer loan and sales finance companies, mortgage brokers and loan originators, title lenders, deferred deposit lenders and escrow businesses. It is the mission of the Division of Banking and Financial Institutions to protect the public interest by regulating the business of state chartered and licensed financial institutions under its supervision. The Division is committed to preserve and promote: sound and constructive competition among financial institutions; a dual federal and state banking system; and the security of deposits. The Division seeks regulatory coordination and cooperation as well as regulatory parity among financial services institutions while encouraging diversity in financial products and services.*